



Agrologistics sector study Dutch companies in combi countries

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Preface

We would like to thank all the respondents who kindly contributed to this study by completing the questionnaire. Special thanks go to the representatives of the companies that were willing to give us extra explanations about their experiences via interviews. We would also like to thank our colleagues from the Consumer Science department who helped us by preparing the questionnaire. And last but not least, we are grateful to have been asked for this follow-up study by the Netherlands Enterprise Agency (RVO). Specifically, we would like to thank Lillian Henseler and Abel Neering for the supportive and interesting discussions.

On behalf of the project team,

Esther Hogeveen-van Echtelt, project manager of this study

Summary

This report describes the results of a study performed by Wageningen Food & Biobased Research for the Netherlands Enterprise Agency (RVO). It provides an overview of ambitions and challenges of Dutch Agrologistic companies and their experiences and wishes towards Dutch governmental support in the so called 'Combi countries' (Bangladesh, Colombia, Egypt, Ghana, India, Indonesia, Ivory Coast, Kenya, Morocco, Nigeria, Ukraine, Senegal, Vietnam & South Africa). In these countries the Dutch government seeks a combined approach of stimulation of trade and investment as well as development support. A 'combi track' program is defined for subsectors in these countries, where the Dutch government, private sector and local partners are joining forces to capitalize on opportunities and reaching sustainable development goals (Ministerie van Buitenlandse Zaken, 2022).

The study is based on a questionnaire filled by 24 Dutch agrologistic companies and 4 extra interviews with companies that are active or have ambitions to start in Egypt or Kenya. The results of the study show that in general the companies see growth opportunities and chances to start their business in the 'combi countries'. Companies use different strategies to enter these countries. In some cases, they have followed Dutch customers moving abroad, in other cases the country entry has happened via network, contacts at trade fairs or word of mouth. And often when there are real market opportunities, companies are looking for a local partner that can act as agent or distributor. When the business is more established, they can decide to set up a local office/team.

Challenges that companies face are different when they start doing business in a country, compared to when they want to grow their business further in a country. In the first situation finding partners (such as distributors or agents) is mentioned as most challenging compared to a variety of other challenges. When a company intends to grow its business further in a country, the list with challenges is headed by financial barriers, followed by laws and regulation, bureaucracy, finding partners, and logistics and infrastructure.

The respondents believe that their activities contribute to the general goals that are targeted in the 'combi track' programme:

- The **contribution to the local economy** scores particularly high.
- To a slightly lesser degree, the respondents' activities contribute to **greening**, and **creation of employment for women and youth**. Economy and food security are higher on the priority list of the clients in those countries than **sustainability and inclusivity**, according to the interviewed respondents.
- Regarding contribution to **digitization of the local economy** a varied response was given, which could indicate that it depends on the company's core activities, strategy and developments.
- Contribution to **enable other Dutch companies to enter a 'combi country'** also scored lower, although in the interviews the importance of having contacts with Dutch companies and the Dutch Embassy in the country was often mentioned as a helping factor to start/grow business. Moreover, the importance of the good reputation of the Dutch Agrosector was mentioned as an enabling factor for doing business in the 'combi countries'.

With respect to support received from governmental organisations, the approachable contacts with Dutch Embassies and agricultural counsellors are highly appreciated by the respondents. It helps them to find new partners and customers, and in dealing with local regulations. Activities organized to stimulate networking, such as trade missions, fairs and programmes like 'Partners for International Business' are supportive and effective to find local partners and to create new contacts. Specifically, for starting in a specific country this is indicated as the most desired type of support. This holds true for all countries.

To further grow business in a country, subsidy and financial support is helpful. Financial support/guarantees by the Dutch government can also be supportive in cases when a company is faced with sudden financial or logistical barriers caused by political changes, which cause delays, administrative burden, extra costs, and unreliability with payments. This happened for instance in the past years in Egypt and Kenya. Meanwhile, several companies also indicated to have mixed feelings about the use of subsidies. "It should be a tool and not a goal" is one of the remarks of the interviewees. It can be helpful, but the process could be made easier

and faster to not miss opportunities because of the application process, and to have a better match with the goals of the subsidy as well as the company goals.

Several recommendations for the RVO, and more widely to other Dutch government organizations, were given by the respondents to improve the services and increase the use of the services based on the above insights. These recommendations are in line with the earlier insights from the study of Castelein et al, 2022. The main points are:

- Increase awareness of the support and tools, including an accessible overview of (RVO) subsidies and tools.
- Strengthen the branding of the Dutch agrifood sector, and support the networking and matchmaking activities around the combi tracks with a variety of activities such as trade missions and fairs with Dutch pavilions. Focus on tailor-made programs for the companies matching the relevant product groups/supply chains.
- Simplify the application process for subsidies and financing programs and make it faster.

Derived from the above is the need for broader (programmatic) collaboration among Dutch governmental and semi-governmental institutions. For instance, Invest International can offer (trade) finance solutions and help to insure against political risks. Nuffic is providing capacity development programs for local Technical and Vocational Education and Training Authorities (TVETs) and universities. Impact stories for building the Dutch brand, can be co-designed with NL-Branding, to name a few examples. Underlying point is to better align the activities of these institutions and make them complementary for the Dutch technology and knowledge export sector.

1 Introduction

1.1 Aim and scope of this study

In August 2022, Wageningen Food & Biobased Research (WFBR), an institute within Wageningen University & Research (WUR), completed the 'Agrologistics sector study Netherlands' study (Castelein, R.B. et al. 2022). This study provides a comprehensive insight into the Dutch agrologistics sector and highlights the opportunities for Dutch entrepreneurs in the field of internationalization. In order to delve deeper into the international activities and ambitions of companies in the Dutch agrologistics sector, the Netherlands Enterprise Agency (RVO) has requested additional research. The results of this additional research are presented in this report.

This report has a specific focus on product groups that are important to the so called 'combi countries' (Bangladesh, Colombia, Egypt, Ghana, India, Indonesia, Ivory Coast, Kenya, Morocco, Nigeria, Ukraine, Senegal, Vietnam & South Africa). In the 'combi countries' the Dutch government seeks a combined approach of stimulation of trade and investments as well as development support. A program called 'combi tracks' is defined, with a focus on subsectors in these emerging markets in which the Dutch government, private sector and local partners are joining forces to capitalize on opportunities and on reaching sustainable development goals. The efforts are focused around three themes: 1. digitization and greening, 2. sustainable economic development for young people and women and 3. a strong export- and investment position for Dutch private sector (Ministerie van Buitenlandse Zaken, 2022).

The main objective of this research is to map the international activities and ambitions of Dutch companies in agrologistics in these 'combi countries', as well as to identify the forms of government support that they would like to have. With this output RVO aims to improve its services and to attract more companies to make use of these services especially in the 'combi countries'.

1.2 Dutch Agrologistic sector background information

De Haas (2013) showed that although the agri-sector in the Netherlands has long been the focus of Dutch policymakers, only after the second world war¹ the state directly intervened in the agri-sector (consolidation and mechanization). Since then, the demand for and development of enabling technologies, products and services has grown tremendously; all this to facilitate the most efficient possible production of agri-products. As a result, a strong and almost constant growth of agricultural and agriculture-related products is visible, including enabling technologies, services and products.

In addition to this focus on greatly improving the agribusiness sector, the Netherlands' strong international advance is also due to the logistics sector in the Netherlands. Agrologistics is a domain spanning both the logistics sector and the agri-sector, and conditions that favour logistics activities in general (e.g., location, connectivity, infrastructure) are also conducive to agrologistics performance.

A third important factor in developing agrologistics is the oft-lauded Dutch Diamond by which is meant the institutionalized cooperation between industry, government, knowledge organizations and relevant civil society organizations.

¹ Sicco Mansholt, became the Minister of Agriculture right after the second world war was a key figure in not only transforming Dutch agriculture with his motto 'Never to be hungry again'.

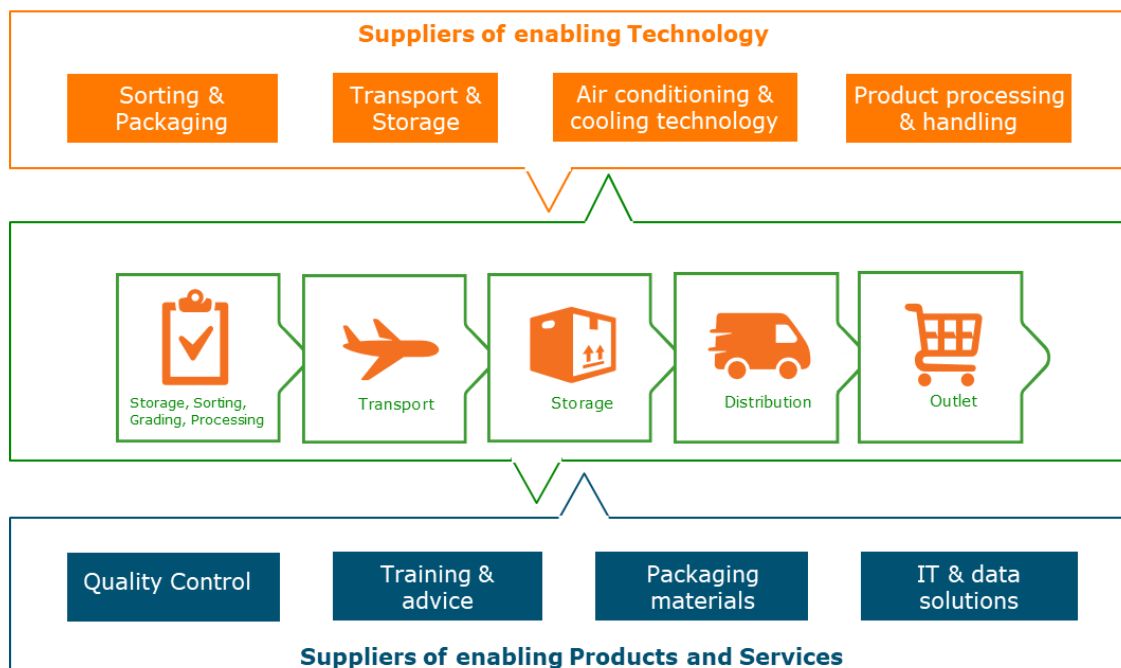


Figure 1 *Agrologistics - Agrologistics activities and their enabling technologies, products and services (Castelein, R.B. et al 2022).*

For this study we use the definition of agrologistics² from the 'Agrologistics sector study Netherlands' (Castelein, R.B. et al. 2022): "Agrologistics is the collection of all post-harvest logistics functions in the agro chain (of food and related products), including transportation, handling, storage, climate control and management, and the organization of coherent interplay between these activities, from harvest up to the end consumer, as well as the supply of technologies, products, and services that enable these functions and that have a direct relevance for the agro chain, agro products, and product quality" (see **Fout! Verwijzingsbron niet gevonden.**).

Agrologistics is broader than just the activities and businesses that are directly related to the 'moving' of agriproducts through the agri value chain. It also includes enabling technologies, products and services. Although this is a fairly established way of considering agri value chains in the Netherlands, previous research shows (Castelein, R.B. et al. 2022) that agrologistics is an unfamiliar and ambiguous term internationally. To overcome this, it is recommended that when Dutch agrologistics companies present themselves internationally, they do so jointly around a specific product or product group so that they can showcase the entire Dutch agrologistics product portfolio where one specific technology in agrologistics context reinforces the other. So, this means that companies that are part of the definition of agrologistics should be organised around production chains instead of the type of technology, product or service they offer.

1.3 Methodology

Around 230 Dutch companies, identified in the previous study, are active in agrologistics. They were invited by mail to respond to an online questionnaire that was developed by WUR in collaboration with RVO, using Eye Question software. The questionnaire included general questions about company activities and specific questions per 'combi country' where they were already involved (maximum of 2 'combi countries' could be selected) or wanted to be involved (maximum of 2 'combi countries' could be selected). The specific questions included questions about their experiences in the country, their challenges, and received and needed support. In total, 24 companies answered to the questionnaire and gave permission to use the data.

² In the English (scientific) literature there are 3 ways to write agrologistics; agro logistics, agro-logistics and agrologistics. The choice for any way of writing depends only on the author's preferences. For 'Agrologistics sector study Netherlands' (Castelein, R.B. et al. 2022) and also this report we have opted for the notation of agrologistics because it not only corresponds to the Dutch spelling, but it also emphasizes the synergy which arises from connecting agro and logistics.

As the number of respondents to the questionnaire is limited, we cannot perform a statistically valid analysis on the answers, which means that the results will be presented in a qualitative way. Following the questionnaire, four interviews of one hour were conducted with respondents (companies) to receive more country-specific context for the answers provided in the questionnaire.

Four companies were selected to provide more detailed information for two countries. These two countries were selected in agreement with RVO, based on the countries with highest number of responses and with a fit of activities to the subsectors defined in the RVO-combi tracks. Based on these two criteria, Egypt and Kenya were selected. The combi track in Egypt focusses on the subsector 'field and protected cultivation', and the combi track in Kenya focusses on the subsector 'cold chain logistics of fruit & flowers'. In total four respondents were selected of which two respondents are currently active (one in Egypt, one in Kenya), and two respondents have an ambition to start activities (one in Egypt, one in Kenya) in these two countries (Table 1). Company 1, 2 and 3 are all Dutch suppliers of enabling technology in the field of transport & storage, and air conditioning & cooling technology. Company 4 is a Dutch supplier of enabling technology in the field of product processing & handling.

Table 1 ***Selection of companies for the interviews***

	Egypt	Kenya
Active	Company 1 – Storage technology	Company 3 – Storage technology
Ambition to start	Company 2 – Storage technology	Company 4 – Postharvest treatment

2 Results

2.1 International activities

2.1.1 Activities and ambitions in the 'combi countries'

From the 24 companies that filled in the questionnaire, 17 are active in one or more of the 'combi countries'. In total, this adds up to a presence with activities in 72 cases. Figure 2 gives an overview of the number of respondents active, or with the ambition to start per country (12 cases). It also shows that all 'combi countries' were mentioned by at least one respondent. Most respondents are active in Colombia, Egypt, India, Kenya, Morocco, Ukraine and South Africa. Currently, there is no indicated interest to start in Colombia, Ghana, Ivory Coast, Morocco and Ukraine in this group of respondents.

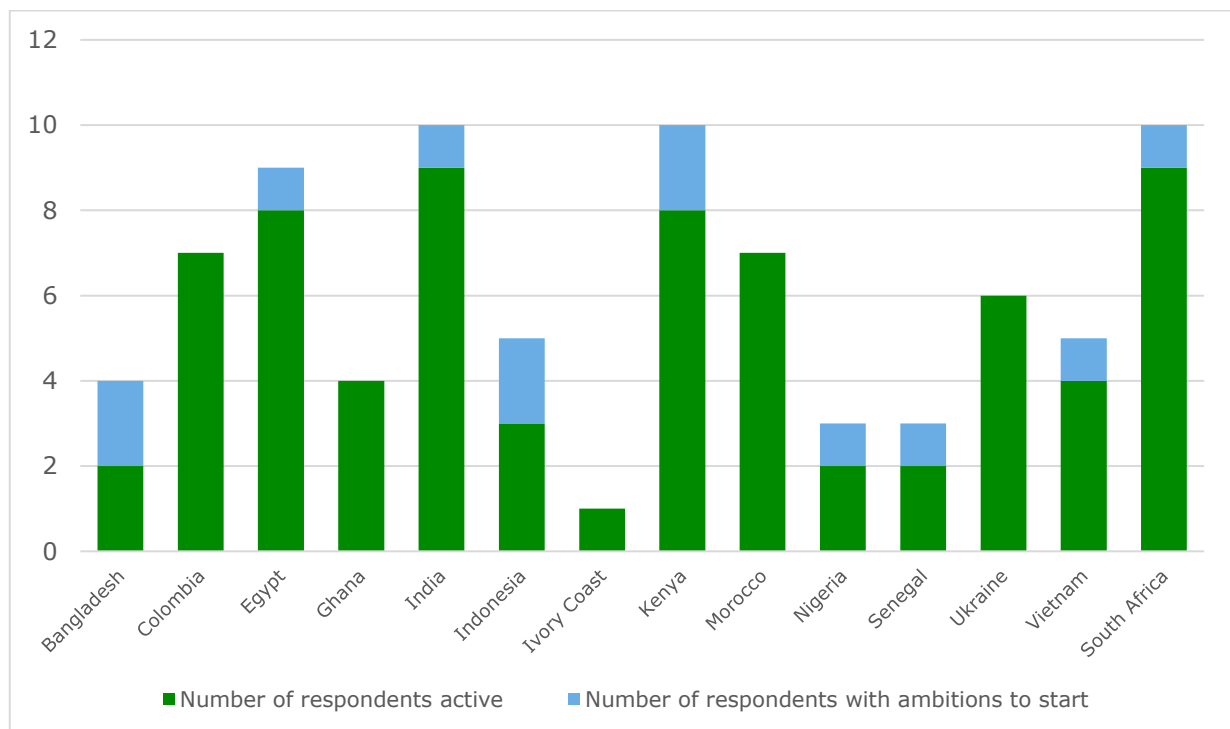


Figure 2 Overview of number of respondents active or with ambitions to start in 'combi countries'.

Most respondents that are active (13) completed the questionnaire with answers for 2 'combi countries', the other four completed it for one country. The number of years that the companies are active in the country shows that 50% of the companies are active for 10 years or less and 50% for more than 10 years (Figure 3).

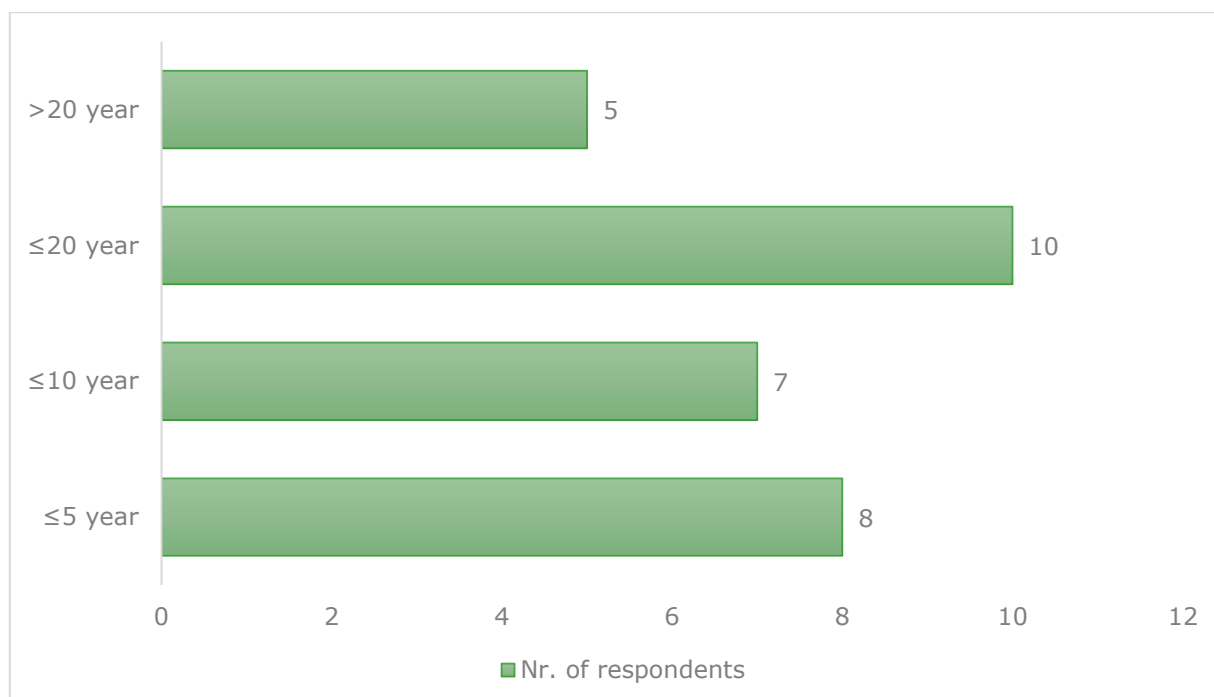


Figure 3 Overview of number of respondents and the years they are active in the 'combi country'.

The respondents together represent a diverse group of companies within the agrologistics sector, covering the complete range of activities and agricultural product groups as shown in **Fout! Verwijzingsbron niet gevonden.** in paragraph 1.2. Activities include manufacturing and trading of all kinds of technology for transport and storage, refrigeration, sorting equipment, packaging or post-harvest treatments such as coatings. Some companies play a role in providing quality control and consultancy, or offer logistical support via IT and data solutions. Several respondents are active in more than one type of activities, such as providing training, next to selling technologies. The agricultural product groups that are being targeted are also diverse. Most represented are the following product groups: fruit, fruity vegetables, onions, and potatoes & tubers (Table 2).

Table 2 Overview of product groups of respondents per country where they are active now

Country	Product group
Colombia	Fruit, Flowers
Egypt	Fruit, Fruity and other vegetables, Cereals, Potatoes, Tubers & Onions
India	Fruit, Fruity vegetables, Cereals, Potatoes & Tubers, Onions, Dairy, Cacao/Coffee/Tea, Fish & Crustaceans
Indonesia	Tobacco
Kenya	Fruit, Fruity and other vegetables, Onions, Fish & Crustaceans, Meat & Poultry, Flowers
Morocco	Fruit, Fruity and other vegetables, Onions, Fish & Crustaceans, Meat & Poultry
Ukraine	Fruity and other vegetables, Cereals, Potatoes, Tubers & Onions
Vietnam	Flowers
South Africa	Fruit, Fruity vegetables, Cereals, Potatoes, Tubers & Onions

2.1.2 Contribution of activities to the goals of combi tracks

Respondents were asked for their assessment of statements for the contribution of the company's activities to the goals defined in the combi track program (on a scale of 1-5; 1 = low, 5 = high, Figure 4). The average score given for contribution to 'local economy' is highest. Contribution to 'greening of the local economy' and

'enabling worthy work for women and youth' was scored average. Contribution to 'digitization' and 'making it easier for others to enter the market' are scored lowest.



Figure 4 *Average result of respondent's judgements on statements regarding contribution of the companies activities to the local economy (n=30, Higher score, higher contribution)*

In the four interviews the companies explained their perspectives on these topics:

Economic development of local economy

This topic scored highest in the questionnaire and is indicated in the interviews as the most logical contribution. The technology that the Dutch companies sell to local companies is meant to support local businesses. In the interviews it was indicated that in the nineties, when the first companies expanded their business to the 'combi countries', they often followed their already existing Dutch customers. These had for instance acquired land in the 'combi countries' and created business for Dutch agrologistic companies. Nowadays, there is more business with local companies. The respondents often hire a local business partner or create a local team to provide their services. This improves the local economy as the Dutch companies create extra work (direct/indirect), and hence extra income for people in the countries.

Enabling work for women and youth

The activities of the companies do create extra work. First of all, when business is growing. Second, when there is a stable market, since then the companies often open a local office or set up a factory creating direct jobs. Investments in the local team is seen by some companies as a key success factor. Inclusivity and labour creation is however not a main driver for the companies in these countries. Available technical personnel is still often male. However, supportive tasks are more often done by females. One company indicated to be open to receive support in generating ideas how to improve the participation of women and youth.

Greening of the local economy

In general, the storage and postharvest technology that the companies are delivering is supporting prevention of food losses and waste by maintaining quality of produce for a longer period. The interviewed Dutch companies believe that they are different than many local providers of technology, as they offer also support and training in correct application of the cold chain technology. This also helps in achieving a more sustainable solution. However, the respondents indicate that greening is not a main driver for their clients in most of the countries where they are active. Food security and economics are. In that sense, energy saving does have some attention if it saves money. From a European perspective there is more focus on greening and the Dutch companies also adhere to European regulation, for instance with respect to the use of more sustainable

refrigerants. However, it is not a wish from the market in the country. As a consequence, the technology developed in Europe does not always fit the needs and circumstances of the country (e.g. overqualified, too expensive, not designed to handle fluctuations in power supply). The technology has to be adjusted for such circumstances. One respondent indicated that in countries with more development, the company has more options to recommend the use of sustainable technology (given the options that are present in the country). The local market has then a need for knowledge, training and advice, which the Dutch company can provide.

Digitization of the local economy

A mix of scores was given to this topic. Several companies scored themselves a low to average contribution to digitization of the local economy (1-3). This was also the case for the interviewed companies who are mainly active in storage technology and postharvest treatment. Some of them indicated they do work with online support and training, and do foresee in the future maybe more development of digital services.

However, there were also companies giving a high score to digitization. Their activities are a mix of quality control, supplies for packing/sorting, cold store technology, and supply chain & logistics, spread over the various countries. One respondent active in chain logistics, indicated specifically that Nigeria is at the forefront of digitalization in Africa.

Enable others (Dutch companies) to enter the market

Regarding contribution to this goal, the respondents gave a mix of scores. In the interviews, it was explained that the Dutch network of companies is very supportive. The network is used for providing leads, mentioning each other's names etcetera. Sometimes this is organized in a cluster. An example mentioned is a greenhouse cluster where several companies with different expertise are combined. However, each company decides per country if and, depending on the situation, in what way they cooperate with other Dutch companies. Our interpretation is that the fact that not many companies score this with a higher rate could indicate that working together with Dutch companies is important and helpful, but seems for companies not to be a goal in itself.

2.1.3 Way of working in the countries

In the previously performed study of Castelein et al., 2022, various strategies were mentioned that Dutch agrologistic companies are deploying when entering a foreign market. The fact that various strategies are followed was confirmed in the interviews done in this study. It is for each of the interviewed companies not a fixed strategy and it varies per country and moment in time.

- Following existing customers moving abroad
- Random (e.g. via network, contacts at a trade fair, word of mouth)
- Agent/distributor

When the business is more established in the country, then companies may either invest in an own office or they keep on working with agents/distributors.

Almost all companies cooperate with several partners. Mostly mentioned is the local private sector, but also the Dutch Embassy, the local and national government, RVO, and NGO's. With the case description in paragraph 2.3 about the experiences of the interviewed companies in Egypt and Kenya we provide more insight in doing business in these specific countries.

2.2 Challenges and need for support

Almost all respondents have growth ambitions in the one or two selected 'combi countries' where they are already active. One respondent in the questionnaire (not interviewed) indicated no desire to further grow in Egypt due to "challenges and unreliability" (not further defined). Moreover half of the respondents indicated to have interest in starting in one of the other 'combi countries'. In following paragraphs an overview is given of the challenges they are facing in the main 'combi countries' where they want to grow or start, and what desire for support from Dutch governmental organisations they have.

2.2.1 Growth barriers: Challenges/limitations

Several challenges and barriers for further growth are noted by the respondents. In Table 3 an overview is presented of the challenges and barriers for further growth respondents face in the combi countries. Table 4 provides an overview of the challenges and barriers to start activities in the combi countries.

Table 3 Challenges/barriers to further growth in the combi countries (when already active)

Challenge/barrier	Nr. of times mentioned	Relevant combi countries
Financial barriers	12	Colombia, Egypt, India, Ukraine, South-Africa
Laws/Regulation	8	Colombia, Egypt, India, Morocco, Ukraine, South Africa
Bureaucracy	7	Egypt, India, Kenya, Morocco, Ukraine
Finding partners	7	Colombia, India, Indonesia, South Africa
Logistics/infrastructure	6	Colombia, India, Ukraine, South Africa
Competition	5	India, Morocco
Language/culture	4	Colombia, India, Morocco
No barriers	2	India, Kenya

Table 4 Challenges/barriers to start activities in the combi countries

Challenge/barrier	Nr. of times mentioned	Relevant combi countries
Finding partners	10	Bangladesh, Colombia, Ghana, India, Indonesia, Ivory Coast, Kenya, Morocco, Nigeria, Ukraine, Senegal, Vietnam, South-Africa
Language/Culture	3	Bangladesh, Senegal
Laws/Regulation	3	Bangladesh, Kenya, Nigeria
Financial barriers	2	Bangladesh, India
Bureaucracy	1	Bangladesh
Competition	1	Ghana
Logistics/infrastructure	1	Bangladesh
No barriers	0	

Financial barriers clearly leads this list of perceived barriers for further growth (Table 3). In Egypt it was indicated this is about challenges with stability of currency and difficulties with transactions in Euro/Dollar. In India, the high import duties are mentioned as a financial barrier. This is seen in more countries which are protecting their own resources/markets. The financial barriers are less often mentioned as a barrier in the case of starting in a country (Table 4). This could be because the companies are not yet in the phase of having financial transactions.

Example given by an interviewee that illustrates the financial challenges in Egypt

The Egyptian government changed their policy with respect to foreign transactions from one day to another according to one of our respondents. One of the measures mentioned is the introduced mandatory use of a letter of credit (L/C) as prior condition to imports in 2022. The measure enabled the Central Bank of Egypt (CBE) to control demand on currency for imports by delaying the issuance of the L/C³. Accordingly, several economic operators across industry sectors experienced delays in the issuance of their L/C. In practice this resulted in delays and extra administrative burden and costs. In January 2023 this requirement was stopped⁴, and now things have improved according to one of the interviewed respondents. The feeling however is that it can happen again, there is only limited trust in the reliability and stability of the government.

³ Access2Markets Barrier: Mandatory use of the letter of credit as prior condition for imports (europa.eu) – visited website 19/6/2024

⁴ Verplichting letter of credit vervalt voor Egypte | evofenedex – visited website 19/6/2024

Laws/regulation and bureaucracy are mentioned a considerable number of times as being a hurdle to grow activities as well as to start activities. In the interviews it is mentioned as hurdles that can be taken, but just take a lot of time, patience and perseverance.

Example given by an interviewee that illustrates laws/regulation and bureaucracy challenges in several countries a.o. Brazil

The company needs to register the product in the country and this may take years in many countries. This is particularly true when a company follows official rules rather than the path of corruption, which can still occur in some of these countries. It takes a lot of patience.

Finding partners is also high on the list of mentioned barriers/challenges. This was not only mentioned by the already active companies, but especially also by those that have ambitions to start in a 'combi country'. Almost all respondents indicated finding partners as being a challenge. This also implies that working with partners as distributor or agent is often part of a strategy to start activities in a country.

Partners are not only used for sales, but also to help the Dutch company in getting to know the market, the way of working, building relationships, supporting with administrative hurdles and creating awareness on the product.

Example that illustrates challenges with finding partners in Kenya

One of the interviewed companies in this study, selling a post-harvest treatment that can enhance shelf life of fruit, stressed the importance of having a dedicated and reliable partner to sell their products. Experiences in Kenya with unreliable (copying their product) and non-dedicated distributors forced them to choose a different strategy. This company improved their way of selecting the right partners as distributor, but also to choose in some instances for hiring a local employee to do the job and being able to pay full attention to the product and market.

Next to this a variety of other challenges were mentioned to a lesser extent, like logistics and infrastructure, competition, and language and culture barriers. For instance, one of the interviewed respondents explained about extra checks of the Kenyan authorities on containers in Rotterdam, which cause delays. Interestingly, there were also 2 respondents indicating that there were no barriers at all. In the questionnaire they mentioned: "Just doing business".

2.2.2 Received support

A majority of the respondents indicate that they started their activities in the specific country without support from the Dutch government. The ones that indicate to have received support mention several subsidies (e.g. for demonstration or development of technology), joint programs like 'Partners for International Business', contacts via embassy and trade missions. A third group of respondents are not aware of having received any support, as they are already active in the country for a long time, and/or the person filling the questionnaire was not involved at the time. In the previous agrologistics study (Castelein et al. 2022) a similar kind of observation was done; less than half of the interviewed people experienced support from the Dutch government or other public institutions in setting up their activities.

Examples of remarks given by the 4 interviewed respondents related to the received governmental support in the countries

"Ambassador and agricultural counsellors can be easily approached and are thinking along with you. They can provide the right contacts, such as people who can offer support regarding laws & regulation. They can also help in mentioning your company name when a question comes in. They are a business card for the Dutch Agrosector. Also, the trade missions are appreciated. The support of RVO in enabling a follow up meeting afterwards with all participants is very valuable."

"We received support at several levels: several subsidies (DHI, MIT, Eurostars, Globalstar⁵). The first contacts in a country are often through the embassy, who is very willing to support especially with respect to compliance, laws & regulation, and bringing us in contact with the right people."

"We don't need support in each country. In general, trade missions are valuable since they result in local contacts. Currently, to optimize export to Brazil, we make use of subsidy to hire a specialized office that is supporting us with legal advice. Also, we make use of a subsidy related to export financing/insurance via Atradius Dutch State Business⁶."

"In new countries we always contact the embassy and visit the agricultural counsellor. We are positive about the people working there. When they know us, they can help to bring us into contact with potential customers, as they did in Kenya. We are part of a program called Partners for International Business (PIB)⁷ in which 10-15 Dutch companies collaborate in a specific new country. This increases the chance of success for our business. The general coordination is subsidized by RVO."

2.2.3 Desired support

The Dutch Agrologistic companies were also asked about their need/desire for support of Dutch governmental institutions to grow their business in the two main 'combi countries'. Each respondent could choose multiple options. The results are presented in Another desired way of support is on the topics of communication and branding of the Dutch Agrosector. It was not mentioned often by the existing active companies, but for the starting companies it was indicated relatively more frequent. This is not a direct support tool, but can indirectly be of great value to the companies. In the interviews it was also mentioned several times that still the reputation of the Dutch Agrosector (especially in specific chains, such as the potato storage) is good and should be used.

Table 5 (for countries where they are already active in) and Table 6 (for countries where they have ambitions to start).

Although two companies indicated that they do not need any support, a majority of the respondents active in one of the 'combi countries' did indicate a wish for *subsidy/financial support*, especially in almost all of the countries where the respondents aim to grow with their activities (Another desired way of support is on the topics of communication and branding of the Dutch Agrosector. It was not mentioned often by the existing active companies, but for the starting companies it was indicated relatively more frequent. This is not a direct support tool, but can indirectly be of great value to the companies. In the interviews it was also mentioned several times that still the reputation of the Dutch Agrosector (especially in specific chains, such as the potato storage) is good and should be used.

Table 5). Such a subsidy is desired for example for product development or market introduction. The wish for subsidy is followed by a wish for support related to establishing contacts, like organizing trade missions, fairs

⁵ <https://www.rvo.nl/onderwerpen/dhi-subsidieregeling>, <https://www.rvo.nl/subsidies-financiering/mit>, <https://www.rvo.nl/subsidies-financiering/globalstars>, <https://www.rvo.nl/subsidies-financiering/eurostars>

⁶ <https://atradiusdutchstatebusiness.nl/>

⁷ <https://www.rvo.nl/subsidies-financiering/pib>

and bringing companies into contact with the local private sector. From the reactions of companies that want to start with activities in a country, it seems that the wish for governmental support to establish contacts is of greater importance than providing financial support (Table 6).

Another desired way of support is on the topics of communication and branding of the Dutch Agrosector. It was not mentioned often by the existing active companies, but for the starting companies it was indicated relatively more frequent. This is not a direct support tool, but can indirectly be of great value to the companies. In the interviews it was also mentioned several times that still the reputation of the Dutch Agrosector (especially in specific chains, such as the potato storage) is good and should be used.

Table 5 *Desired support from governmental institutions to further growth in the combi countries (when already active)*

Desired support	Nr. of times mentioned by respondents (more answers possible)	Relevant combi countries
Subsidy / Financial stimulation	16	Colombia, Egypt, India, Kenya, Ukraine, Vietnam, South Africa
Trade missions	9	Colombia, Egypt, India, Kenya, Morocco, Ukraine, South Africa
Connection private sector	9	India, Indonesia, Kenya, Morocco, Ukraine
Fairs	6	Egypt, India, Indonesia, Kenya, Morocco, Ukraine
Training	5	India, Morocco, South Africa
Communication/branding	3	Kenya, Morocco
Regulation	3	Colombia, India, Vietnam
None	3	Colombia, India, South-Africa

Table 6 *Desired support from governmental institutions to start activities in combi countries*

Desired support	Nr. of times mentioned by respondents (more answers possible)	Relevant combi countries
Trade missions	6	Bangladesh, Egypt, India, Nigeria, Senegal
Fairs	4	Bangladesh, Egypt, India, Indonesia
Connection private sector	4	Bangladesh, Indonesia, Kenya
Subsidy / Financial stimulation	4	Bangladesh, Egypt, Senegal, South Africa
Communication/branding	3	Bangladesh, Egypt, Vietnam
Training	1	Bangladesh
Regulation	1	Bangladesh,
None	1	Kenya

2.2.4 Suggestions from the interviewees to improve Dutch governmental support.

Findability and ease of contact

In general, the interviewed companies spoke positive words about the findability and approachability of especially the Dutch Embassies in the mentioned countries. However, several remarks and suggestions have been given to improve the findability and ease of contact of programs and services the government/RVO is offering to companies. Several are mentioned here:

- The personnel at Dutch Embassies are findable and approachable. Their support is on several levels. The respondents indicate that all of these support services should be continued:
 - Branding and communication
 - Having good insight in developments, laws and regulation
 - Matchmaking

- Informing about safety
- An easily accessible overview of Dutch Embassies and related up-to-date contact details (e.g. a printable overview with QR codes)
- It is desired to receive fast responses towards questions
- Create a simple overview of tools/programs that are offered by RVO. It is still difficult to find your way on the web. The abbreviations that are being used do not make it easier.

Support tools, missions and programs

The companies were satisfied with the level of support and the diversity of tools and support that is being offered by means of trade missions, the embassy, branding, and stimulation of cooperation as NL cluster. Although the companies recognize the advantages of the financial support/subsidy programs that are being offered, they also have some recommendations for improvement:

- The subsidy/financing support programs are complex and have a long lead time. Currently this may restrict the companies and their clients from participating. In the case of financing programmes, support takes a long time in being granted and the programme asks for a lot of information from the client abroad, which makes it a complex procedure. As the respondent indicated: "The clients have a wish to invest now, not in 1-2 years". Therefore, there is a wish to decrease the complexity and administrative work for receiving financing support/subsidy programs.
- Another idea provided by one of the interviewees is that the subsidies should focus more on the commercial perspective (profit) instead of focusing only on the people/planet side: How are we going to make it a success? "Subsidy is a tool, not a goal".

Regarding organization of trade missions and fairs a couple of preferences were given:

- Keep offering/organizing the trade missions. Also, the support afterwards (on request of participants) is valued. There is a clear preference to organize these trade missions on a sector-wide level (fruit/vegetable/potato) or chain level, but not on e.g. technology level or specific for agrologistic companies. This confirms the conclusion in the previous study by Castelein et al. 2022, in which it was stated that agrologistic technology providers do not recognize themselves as a sector. They focus on certain sectors related to crops/fresh products. The companies also prefer a tailored program.
- Presence at trade fairs with a Dutch pavilion is also being valued by several of the interviewees.

Regarding direct support to agrologistic companies, one interviewee indicated that as a supplier of high-tech refrigeration technology and cold chambers it is important to be involved in an early phase with project developers, architects and banks, when the topic of discussion is the development of large infrastructural projects such as airports, ports or other larger areas. This would prevent suboptimal designs, extra time and costs to adapt the plan to incorporate cooling and everything else that is needed. People are often unaware of the complexity and interaction with other aspects of a building plan. Dutch governmental organizations might help to bring us in contact in an early stage with relevant people.

General governmental and political support

The Dutch government also has influence on the trading possibilities for Dutch companies indirectly. A couple of attention points and remarks were given by the interviewed companies:

- Key to success is predictability and stability. This holds for foreign governments, as well as Dutch governments, also for subsidy programs and regulation. A stable government with stable policy is crucial for Dutch entrepreneurs.
- Political/ Governmental support for instance in creating trade agreements is helpful.
- The Dutch government should become aware of the importance and value of Dutch SMEs (small- and medium enterprises) and include this in the communication, support and tools that are offered. Often it seems that there is unawareness of the added value of SMEs and it is lacking in the communication and tools.
- Invest as Dutch government in local universities and research infrastructure on postharvest and agrifood chains to accelerate the developments in chains. Example mentioned is a development of a new university in Kenya.

Next to all the suggestions for improved support of the Dutch governmental organisations, one of the interviewees mentioned: “a proactive attitude of companies is needed to help them find their way in doing business abroad and make effective use of the support that is available”.

2.3 Case ‘combi countries’: Egypt and Kenya

In the following paragraphs, we summarize the specific insights and experiences that were provided by the four interviewed companies when asked about their activities and ambitions specifically in Egypt and Kenya.

2.3.1 Egypt

Opportunity

Egypt is seen as an interesting growth market for the coming 10-20 years. Egypt can deliver year-round agricultural produce to Europe. For the coming years, there are large development programs set up for agriculture, industry and cities in the south of Egypt, stimulated with investments in new production technologies by companies with origin in the Middle-East. This provides opportunities for Dutch agrologistic companies, for example for storage technology providers. Egypt itself does not have all the resources and is therefore dependent on the import of technology, which keeps import duties on a normal level compared to several other countries which are more protectionist. Egyptians are recognized as true traders and strong negotiators.

Challenges

The Dutch/Western storage technology is generally advanced and provides a complete storage solution. This means that it takes time to make customers aware of the benefits of such an integrated solution instead of going for the quick short-term sales that local competitors do. Moreover, the Egyptian economy is currently in a difficult position, which prompts the government to introduce sudden new regulation, for instance with respect to foreign transactions. This results in delays and a less predictable situation, makes it more difficult to realize and complete deals and projects, and receiving payments on time. Both of the above challenges result in the need of patience and perseverance when doing business in Egypt.

Specific support

The company that is already active in Egypt for several years, works via a local agent who they have found through their own network. This agent also provides technical maintenance, service and installation services. Both interviewees indicate that financing/subsidy programs can be interesting in general and not specific to Egypt, for instance to help with product development or market introduction. Export financing support via a guarantee by the Dutch government on payments (like Atradius) is certainly interesting for Egypt. However, an important note is that the duration until financing support commences should not take too long.

2.3.2 Kenya

Opportunity

Kenya is seen as a country with many opportunities, as there is a good economic growth, a good climate for growing crops, and motivated, ambitious and joyful people who believe in the future.

Challenges

In general, there are not so many challenges that are specifically linked to Kenya, according to the interviewees. The extra inspections from the Kenyan government at the port in Rotterdam are mentioned as a delaying factor. The requests from banks towards “Knowing Your Client”, to prevent money laundering, can be difficult to fulfil due to the absence of a Chamber of Commerce and “UBO” (Ultimate Beneficial Owner) registration in Kenya. The starting company also mentions the challenge in Kenya to find the right agent/distribution partner who can support in sales of the products.

Specific support

There are many Dutch companies active in Kenya, and the Dutch Agrifood sector is well known there. This network and positive branding is helping Dutch companies. Also, the embassy is helping by linking potential customers to Dutch companies and providing support with respect questions about compliance.

3 Conclusion & recommendations

This study provides an overview of ambitions and challenges of Dutch Agrologistic companies in the 'combi countries' and their experiences and wishes towards Dutch governmental support. In this chapter we draw conclusions with respect to the main wishes for support. Moreover, we provide recommendations that can help RVO to improve their services and attract more companies to make use of the services.

The recommendations can be used in general for the 'combi countries' and are not related to specific countries. The interviews focussed on Egypt and Kenya and the interviewed companies were also active in several other combi countries. Many of the answers and examples provided about desired support and challenges are not only representative to Egypt and Kenya, but are also valid beyond these countries.

This study shows that the desired key areas, where Dutch governmental organisations can support companies to start and grow their business, are focussed on the building of local networks and stimulating cooperation. Using the Dutch Agrofood brand/reputation is a key element.

Next to this support, subsidy/financial support is helpful to expand companies' business in the countries. To have companies make use of the available services (and link this to the combi track goals) it is suggested to make the companies more aware of the possibilities, and to simplify the application process.

In the previous study by Castelein et al. (2022), the great majority of respondents mentioned "administrative barriers in laws, regulations, standards, and other types of red tape" as a main barrier when operating abroad. In the current study it is also recognized as a challenge, although the four interviewed companies were rather positive about dealing with it, by being patient and persistent, and had less specific desire for extra support from Dutch governmental institutions here.

Below we describe some more specific recommendations to the different Dutch governmental organizations:

Recommendations for RVO

- Explain to companies the goals of combi track programmes, the reason why the Dutch government invests in these combi tracks and the opportunities for companies to investment in these countries.
- Increase awareness of subsidies and programmes, specifically in the combi countries/combi tracks, and make the support easier to apply for.
 - Create a simple overview of tools and programmes offered by RVO (find a solution/ explain abbreviations) and make companies aware of it.
 - Evaluate the different subsidy tools from the view point on how to make the application process easier.
- Strengthen the branding of the Dutch agrifood sector, and support the networking and matchmaking activities around the combi tracks with a variety of activities:
 - Keep organizing trade missions and Dutch pavilions on fairs.
 - As also seen in the previous study, the agrologistic companies do not need to be treated as a sector in itself; they see themselves as part of the supply chains focused around product groups like potatoes/onions/tubers, fruit, or poultry. Therefore activities should be organized on a sector/product/chain level, and not focussed on agrologistic companies in themselves.
 - Work with tailor-made programs matching needs of the specific companies as much as possible. This can for instance be tuned towards the specific relevant product groups. Also it is advised to keep these clusters of collaborating groups of companies relatively small (10-15 companies).

Recommendations for policy makers

- Besides environmental and social sustainability indicators, the goals of a subsidy program should also include economic sustainability aspects.
- The government should be predictable and policies should be developed for the long-term.

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- The government should keep supporting the Dutch SMEs, by maintaining and creating new trade agreements.
 - Keep showing understanding of the contribution of the Dutch SMEs to the sector and economy.
 - Look for opportunities to invest in cooperation with local universities and research infrastructure in the 'combi country' that can also be of benefit for Dutch companies.
 - Derived from the above is the need for broader (programmatic) collaboration among Dutch governmental and semi-governmental institutions. For instance, Invest International can offer (trade) finance solutions and help to insure against political risks. Whereas Nuffic is providing capacity development programs for local Technical and Vocational Education and Training Authority (TVETs) and universities. Impact stories for building the Dutch brand, can be co-designed with NL-Branding, to name a few examples. Underlying point is to better align the activities and make them complementary for the Dutch technology and knowledge export sector.

Ideas for Dutch Embassies

- Share a list with contact information to SMEs to simplify the effort of contacting the right person within each embassy.
- Keep fulfilling a matchmaking role for companies, and provide updates and support on policies, safety & regulations in the countries.
- The embassy can play a role in informing Dutch agrologistic companies in an early stage about large infrastructural projects.

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Annex 1 Summary questionnaire

The online questionnaire was performed in Dutch, via EyeQuestion software. Below is a summary of the questions.

Algemeen

1. In welke categorie zou u het bedrijf indelen namens wie u deze enquête invult?
2. Hoe lang is het bedrijf al internationaal actief?
3. Bent u als bedrijf momenteel actief in een van de combilanden? Zo ja, in welke? Combilanden: Bangladesh, Colombia, Egypte, Ghana, India, Indonesië, Ivoorkust, Kenia, Marokko, Nigeria, Oekraïne, Senegal, Vietnam & Zuid-Afrika
4. Welke 2 van bovenstaande aangevinkte combilanden zijn het belangrijkste voor uw bedrijf?

Vragen per aangevinkt combiland waar bedrijf actief is (max. 2)

5. Binnen welke productgroepen bent u als bedrijf actief in land X
6. Bij welke ketenschakel(s) bent u als bedrijf betrokken in land X
7. Bij welke activiteiten bent u als bedrijf betrokken in land X
8. Kunt u de bedrijfsactiviteiten verder toelichten?
9. Hoe lang is het bedrijf al actief in land X
10. Met wie werkt u als bedrijf samen in land X
11. Kunt u de bedrijfspartners verder toelichten
12. Geef aan in hoeverre u het eens bent met onderstaande stellingen over uw bedrijfsactiviteiten in land.
 - a. Mijn bedrijfsactiviteiten maken het voor andere Nederlandse bedrijven makkelijker om de markt in dit land te betreden
 - b. Mijn bedrijfsactiviteiten dragen bij aan vergroening van de lokale economie
 - c. Mijn bedrijfsactiviteiten dragen bij aan de digitalisering van de lokale economie
 - d. Mijn bedrijfsactiviteiten dragen bij aan een duurzame economische ontwikkeling van de lokale economie
 - e. Mijn bedrijfsactiviteiten dragen bij aan waardig werk voor jongeren en vrouwen in de lokale economie
13. Heeft u als bedrijf ambitie om verder te groeien in land X? Zo ja: Welke activiteiten zou u als bedrijf verder willen ontplooien in land X? Zo niet, waarom niet?
14. Heeft u als bedrijf in het verleden hulp gekregen/ondersteuning gehad van RVO bij het opstarten van je activiteiten in land X? (e.g. subsidieregeling DHI, handelsmissie, etc.)
15. Tegen welke huidige belemmeringen in land X loopt u als bedrijf aan om verder te groeien?
16. Welke vormen van Nederlandse overheidssteun heeft u als bedrijf nodig om verder te kunnen groeien in land X?
17. Op welk niveau wilt u als bedrijf overheidssteun ontvangen?
18. Ben u als bedrijf actief in andere landen naast Nederland of de combilanden?
19. In welke overige internationale regio's bent u als bedrijf actief?

Vragen per aangevinkt combiland waar bedrijf wil beginnen met ondernemen (max. 2)

20. Heeft u als bedrijf ambities om internationaal te gaan beginnen met ondernemen in een van de combilanden? Zo ja in welke en waarom? Met beginnen bedoelen we dat u nog niet in dit land actief bent maar wel van plan bent om hier iets te gaan doen in de komende 5 of 10 jaar of dit graag zou willen. Dit is inclusief de landen waar u als bedrijf wellicht al de eerste gesprekken hebt gevoerd, maar waar nog geen verdere activiteiten zijn ontplooid.
21. Binnen welke productgroepen wilt u als bedrijf gaan beginnen in land Y
22. In welke ketenschakel(s) wilt u als bedrijf gaan beginnen in land Y?
23. Op welke activiteiten wilt u zich als bedrijf gaan richten in land Y?
24. Wat houdt u momenteel tegen om hier te gaan beginnen?
25. Welke vormen van Nederlandse overheidssteun heeft u als bedrijf nodig om te kunnen beginnen in land Y?

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26. Op welk niveau wilt u als bedrijf overheidssteun ontvangen om te beginnen met ondernemen in land Y?
27. Geef aan in hoeverre u het eens bent met onderstaande stellingen over uw mogelijke toekomstige bedrijfsactiviteiten in land Y
- a. Mijn bedrijfsactiviteiten maken het voor andere Nederlandse bedrijven makkelijker om de markt in dit land te betreden
 - b. Mijn bedrijfsactiviteiten dragen bij aan vergroening van de lokale economie
 - c. Mijn bedrijfsactiviteiten dragen bij aan de digitalisering van de lokale economie
 - d. Mijn bedrijfsactiviteiten dragen bij aan een duurzame economische ontwikkeling van de lokale economie
 - e. Mijn bedrijfsactiviteiten dragen bij aan waardig werk voor jongeren en vrouwen in de lokale economie

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